

Session 114 - (2001-2002)
CHAPTER 75

South Carolina Research Centers of Economic Excellence

Section 2-75-05. (A) This chapter is known and may be cited as the 'South Carolina Research Centers of Economic Excellence Act'.

(B) The General Assembly finds that:

(1) it is in the public interest to create incentives for the senior research universities of South Carolina consisting of Clemson University, the Medical University of South Carolina, and the University of South Carolina to raise capital from the private sector to fund endowments for professorships in research areas targeted to create well-paying jobs and enhanced economic opportunities for the people of South Carolina;

(2) these endowed professorships should be used to recruit and maintain leading scientists and engineers at the senior research universities of South Carolina for the purposes of developing and leveraging the research capabilities of the universities for the creation of well-paying jobs and enhanced economic opportunities in knowledge-based industries for all South Carolinians;

(3) in communities across the United States in which better paying jobs and enhanced economic development in knowledge-based industries has flourished, the local or state government has created incentives and made a long-term commitment to public and private funding for a significant number of endowments for professorships in targeted knowledge-based industries;

(4) the South Carolina Education Lottery provides a source of funding and an incentive for the senior research universities to raise, in dollar-for-dollar matching amounts, sums from private sources sufficient to create endowed professorships;

(5) these endowed professorships should be awarded to the senior research universities through a competitive application process, provided that the competitive process must encourage the senior research universities to submit cooperative applications with one another as well as in cooperation with other institutions of higher education; and

(6) these endowed professorships, funded equally from the South Carolina Education Lottery and from other private sources, provide a foundation for the creation of centers of economic excellence.

Section 2-75-10. There is created the Research Centers of Excellence Review Board. The board shall consist of nine members. Of the nine members, three must be appointed by the Governor, three must be appointed by the President Pro Tempore of the Senate, and three must be appointed by the Speaker of the House of Representatives. The terms of members are three years and members are eligible to be appointed for no more than two

additional terms. Of the members initially appointed by the Governor, the President Pro Tempore, and the Speaker of the House, one shall be appointed for a term of one year, one for a term of two years, and one for a term of three years, the initial term of each member to be designated by the Governor, President Pro Tempore, and Speaker of the House when making the appointments. The Governor, the President Pro Tempore, and the Speaker of the House shall appoint persons with substantial experience in business, law, accounting, technology, manufacturing, engineering, or other professions and experience which provide an understanding of the purposes of this chapter. The board shall be responsible for providing annually to the Commission on Higher Education a schedule by which applications for funding are received and awarded on a competitive basis, the awarding of matching funds as provided in Section 2-75-60, and for oversight and operation of the fund created by Section 2-75-30. The review board must provide an annual report to the Budget and Control Board, which shall include an audit performed by an independent auditor.

Section 2-75-20. The presidents of the senior research universities shall serve as ex officio nonvoting members of the board.

Section 2-75-30. There is created the Centers of Excellence Matching Endowment. The endowment must be funded annually by appropriations from the South Carolina Education Lottery Account in an aggregate amount not to exceed \$200,000,000 by 2010. The fund must be managed by the State Treasurer, subject to awards from the endowment as provided in this chapter. Interest earnings of the endowment must remain in the fund.

Section 2-75-40. The senior research universities, individually, in conjunction with one or more other senior research universities or with other South Carolina higher education institutions, may make application for awards from the endowment as provided in this chapter.

Section 2-75-50. An application for an award from the endowment shall:

- (1) provide to the board documentation of private matching funds, on hand, in an amount equal to the amount for which application is made;
- (2) provide to the board documentation that all matching funds have been committed and raised exclusively from sources other than South Carolina tax dollars, and that the funds have been committed and raised after January 1, 2002;
- (3) be in an amount of not less than two million dollars and not more than five million dollars;
- (4) document that the application has significant potential to provide for enhanced economic development for the citizens of South Carolina in a specified knowledge-based industry or field of commerce; and

(5) provide specific partnering activities with other institutions, businesses, or the community.

Section 2-75-60. Upon a determination by the board that the provisions of Section 2-75-50 have been met, the board must appoint a panel of experts chosen from outside South Carolina for their expertise in the respective research field to review the application. The members appointed to the panel shall have no affiliation with the senior research universities. The panel will convene in the State to review the proposals and to conduct site visits to ensure that appropriate research infrastructure exists at the applying university. The panel shall make a report and recommendation to the board as to the merits of the application not more than ninety days after submission to the panel. The board shall then make a determination as to whether or not to award the matching funds and the amount of the award.

Section 2-75-70. Staff and support for the operations of the board and the panels must be provided by the Commission on Higher Education. The Commission on Higher Education shall approve all necessary funds for the prudent operation of the board, including per diem, subsistence, and mileage expenses of board members as provided by law for members of state boards, committees, and commissions, and for the costs and expenses of the panel members. The expenditures authorized by this section must be provided from the fund created by Section 2-75-30 upon approval by the commission.

Section 2-75-80. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this chapter is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this section, the General Assembly hereby declaring that it would have passed this section, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective."